

The USITUA is working to improve coordination and cooperation between the private sector and the U.S. Government to enhance U.S. effectiveness in the International Telecommunication Union (ITU).



Board of Directors

Chair
Harold Kwalwasser
Consultant

Vice Chair
Ben C. Fisher
Pillsbury Winthrop
Shaw Pittman LLP

Vice Chair
Gary Fishman
Lucent Technologies

Secretary
Ann Ishee
Sprint

Treasurer
Doug Schoenberger
AT&T

Directors
Audrey L. Allison
The Boeing Company

Donald M. Jansky
Jansky/Barmat
Telecommunications

David Leive
Consultant

Michael Lynch
Nortel

Leslie J. Martinkovics
Verizon
Communications, Inc.

Richard D. Parlow
Consultant

Arthur Reilly
Cisco Systems, Inc.

Paul Rinaldo
American Radio Relay
League

Walda Roseman
CompassRose
International, Inc.

Jennifer A. Warren
Lockheed Martin
Corporation

June 19, 2006

The Hon. Richard M. Beaird
EB/CIP
United States Department of State
2201 C St., NW
Washington, DC 20520

Re: USITUA Plenipotentiary Positions

Dear Dick:

I have the great pleasure of forwarding to you the USITUA's first Position Paper with regard to the 2006 ITU Plenipotentiary Conference.

The Paper has been the subject of extended consideration and debate within the Association. We have attempted to address as many of the issues of concern as possible. It is our hope that we may have provided some useful insight into the significant issues that will be considered at Antalya, Turkey in November.

This Paper is not the end of our effort. Rather, we would hope that you would consider it a "work in progress," since there are still some on-going discussions about a few points, and since we expect to update our views as we analyze other Administrations submissions.

Please understand that we are fully committed to working closely with you, and we hope that our effort will be helpful during the development of United States policy for the Conference.

If there is anything we can do to help you further, please contact us at your convenience.

Sincerely, yours,

Harold Kwalwasser
Chair, USITUA

United States ITU Association
2300 N Street, NW
Washington, DC 20037-1128
ph. 202.663.9047 • fax 202.663.8007
www.usitua.org

ITU Plenipotentiary Conference 2006

U.S. ITU Association Positions and Priorities

The United States International Telecommunication Union Association (USITUA) is an organization of over 40 companies and consulting firms that have extensive dealings with the ITU. They have come together to assure that the ITU remains a vital and effective organization for resolution of radiocommunication, telecommunication standards and development issues. The USITUA is particularly committed to promoting the role of the private sector in the ITU, and to the adoption of policies that enhance the private sector's ability to participate effectively in the organization's work.

The most important conclusion USITUA's members reached during their deliberations about the issues to be addressed at the upcoming 2006 ITU Plenipotentiary Conference was that they were largely satisfied with the overall functioning of the organization. The discussions of proposed changes and adaptations post-WSIS should not obscure this basic truth: the current structure of the ITU largely fulfills the needs of USITUA's members.

Hence, the proposals made below all attempt to keep the basic ITU organizational structure intact. There are proposed changes, but they are all incremental and intended to carry forward some of the reforms begun in recent years.

There are no suggestions for a fundamental departure from the ITU's current working methods. There is a real commitment to the continued federated functioning of the ITU, including the Development Sector. There is also recognition that the Development Sector should intensify its Internet-related capacity building activities in partnership with others, such as USTTI, and that such work will go toward fulfilling the ITU's commitment to the post-WSIS world. However, the ITU should not respond to the Tunis Commitment by creating new structures to deal with Internet issues.

The USITUA does recognize that there may well be financial constraints over the next four years, and that the issue of the contributory unit may be contentious. However, the USITUA supports the Government position to oppose increasing the size of the unit. The USITUA does not believe that cost recovery should be expanded to cover some part of any shortfall, and instead proposes requiring annual meetings to review the operation of the program.

Key Financial and Management Issues

World Summit on the Information Society (WSIS)

- Both phases of the WSIS (Geneva and Tunis) were highly successful in achieving recognition by the world's highest level political leaders, as well as business and civil society stakeholders, that ICTs were critical to economic growth and development, and to allowing people to reach their potential in the Information Society.
- The ITU played a critical role in planning both phases of the WSIS.
- WSIS is over. The UN ECOSOC has responsibility for internal WSIS follow-up within the UN System. The ITU has been identified as a facilitator/moderator for WSIS Plan of Action line C2 (Infrastructure) and C5 (Security) in connection with WSIS implementation. In addition, the ITU continues to provide a stocktaking mechanism for programs addressing the Millennium Declaration Goals and WSIS Action Lines.
- Implementation of the WSIS Action Lines, in practice, depends upon the activities and efforts by millions of entities. The ITU sector work on spectrum management and radio studies (ITU-R), development (ITU-D) and telecommunication standardization (ITU-T) have been and will continue to be important to the growth and evolution of the Information Society and should be the focus of ITU resources. Any attempt to coordinate the multidimensional, dynamic and largely private-sector-driven evolution of the Information Society would be impractical and would not be a productive use of ITU resources.
- The ITU and other players in the Information Society can within their individual scopes of work and by working cooperatively promote an enabling environment and efficiently and effectively implement programs of work that address WSIS Action Lines.
- With the above in mind, the ITU should ensure that its efforts promote a people-centric, inclusive Information Society and that its activities contribute to achieving the Millennium Declaration Goals and WSIS Plan of Action Lines. Its efforts in this regard should support its scope, draw upon its core competencies and operate within the resources available to it. Should additional resources be freed up to support WSIS implementation, they should be applied to making ITU's WSIS implantation efforts within ITU's current scope more effective rather than expanding the scope of ITU's activities.
- The ITU involvement in the UN Working Group on the Information Society, the Internet Governance Forum, the Commission on Science, Technology, and Development, and the Global Alliance should reflect the above since the ITU is one

of many “players” who will have a role in continuing to promote “enhanced cooperation” in the evolution of the Information Society.

Financial Matters

Member State and Sector Member Contributory Units/Value

- There should be no increase to the amount of the contributory unit of the Member States. Instead the ITU should work to provide priority programs and services within its core competencies, in order to stay within budget using the current level of the contributory unit. If certain Member States consider increasing contributions to be a necessity, they can be reminded that they are always free to increase their number of contributory units, rather than the overall amount of the contributory unit.
- There should be no increase to the minimum contribution level for Sector Members. Not only is the current contribution level appropriate, but maintaining that contribution would be significantly more attractive to prospective Sector Members.
- Consideration should be given to presenting a proposed resolution or recommendation on stimulating membership in the Union. The proposal could recommend that Member States consider the importance of the ITU's activities and whether an increase in their number of units is in order. The Sector Directors could develop and implement ideas, in cooperation with their Advisory Groups, both to attract greater participation from current Sector members and to obtain new Sector Members. This latter point could build on a Resolution adopted by WTDC-06.
- As part of the overall financial discussion, the income from telecom and resources in the Reserve Fund will need to be made part of the financial solution.
- In estimating Union income, cost recovery revenue has a degree of uncertainty which should be taken into consideration. Hence, to aid in the financial planning of the Union it is recommended that regular income from the membership and that derived via cost recovery be accounted for in separate budgets.
- There are few incentives for the Sectors or their Directors to develop and implement cost cutting measures which would result in savings for use in other high priority Sector programs. Reduced costs may result in lower approved budgets in the next cycle, and any funds not utilized in a particular budget cycle will not be available for future Sector use. Some modification of present financial policies should be adopted to encourage and reward Sectors for developing cost cutting measures, either through permitting use of some or all of the funds in the current budget cycle for other programs or an increased budget allocation for future cycle.

- All new activities proposed for the ITU, including those associated with WSIS, need to be costed out.

Accountability of Elected Officials

- In Doc 16 the U.S. has proposed that the Sec Gen, Deputy Secretary General and all Directors are accountable to Council for their work. Further the Deputy Secretary General would assist the Secretary General in all of his duties in a support role. The Sec Gen still has the overall responsibility for the Union's management and functions but is now clearly accountable to Council. The Directors of the three Sectors would also be accountable to Council for meeting the objectives established for the Sectors and the General Secretariat. Certain additional measures would improve the likelihood that elected officials could operate constructively as a team and effectively manage their resources using tools and incentives commensurate with those responsibilities. These would include:
 - The general Secretariat would be instructed to be guided by the principle of service to its "clients". This is an operative principle in well-managed corporations and other organizations. In the case of the ITU, the work of the Sectors is bottom up, membership driven. The Sectors would therefore serve as the "clients" of the various administrative, financial, strategic and external relations functions of the General Secretariat. This bottom up approach should also hold for the planning of workshops and seminars, which should be discussed and initiated by the membership, not the secretariat. The Secretary General would be accountable to Council for providing effective and efficient support to and consultation and collaboration with the Sectors.
- As Directors would be accountable for the utilization of resources for optimal achievement of their Sector's objectives, any efficiencies or savings they could achieve within their Sectors would presumptively be theirs to reapply elsewhere within their Sectors. This could be accomplished for the R Sector by the addition of CV Art. 12; similar changes could be made for the other Sectors.
- Increasing oversight by Council of ITU operations has proved its value in the past few years. Continuing that level of oversight, however, could call into question the management authority of the Secretary General and Deputy Secretary General. And needs, therefore, to be periodically reviewed in that light.

Observers at Council

- The U.S. should continue its support of allowing Sector Members to be Observers at Council. The U.S. should agree with the Europeans that the current mechanism under which few observers “represent” Sector members is unnecessary. The following modification should therefore be proposed:

MOD 60B PP-02 9ter) Sector Members may attend, as observers at meetings of the Council, its committees and its working groups, subject to the conditions established by the Council”

- Further consideration could be given to developing a recommendation giving guidance to the Council on what sort of conditions would be appropriate and request that the Advisory Groups be involved. The Association is prepared to develop text for this proposed recommendation.

Resolutions 86, 87, 88, 91

- These Resolutions address “Advanced publication, coordination, notification and recording procedures for frequency assignments pertaining to satellite networks”. CEPT has proposed to retain **Res 86** (Doc 12 rev.1 Proposal 9) with modifications resulting from WRC 03 and the addition of “systems” to cover non-geostationary satellites.
- The proposal is reasonable and could be supported but it is essential that this minor change does not lead to a broad reopening of long standing “equitable access” issues.
- The CEPT (Proposal 2) also proposed to suppress **Res 87**, “Role of the notifying administration in the case of an administration notifying on behalf of a named group of administrations”.
- The Association has no difficulties with this proposal. The U.S. should oppose any attempt to include in this resolution or any other resolution, that members of the group represented by a notifying administration each have the right to a free filing as a consequence of this association. Only the notifying administration has the right to a free filing.
- There are no proposals to modify or suppress Resolution 88, “Processing charges for satellite network filings and administrative procedures”.
- Cost recovery will continue to be a subject of considerable, continuing concern and attention, hence **some form of Res 88 must be retained**. The resolves should be recast to indicate that cost recovery and charges have had

continuing review, that progress is being made to more closely achieve “actual cost” recovery, and there is a need for continuing monitoring to improve the process and to identify efficiencies and cost savings to administrations and the BR. (Resolution 91’s focus on “exact costs” must also be maintained and if necessary updated consistent with work done over the last four years, and it may be appropriate to limit further Council’s authority to impose new fees.) It would be proposed that a yearly meeting between the BR, administrations and affected sector members be held to review the ongoing process, identify potential efficiencies and report the finding to Council for appropriate action, with a subsequent report to PP XX.

Resolution 108

- The Working group on Resolution 108 presented a report to Council 2005 which addressed two areas – the function of the Coordinating Committee, and the tasks of the Deputy Secretary General.
- The report made a number of recommendations regarding the operation of the Coordinating Committee, the role of the Deputy Secretary General, and presented a draft PP-06 resolution. The Association supports the report with the following modification:
 - **Mandate of the Coordinating Committee:**
No need to change CS/CV, but highlights greater role in identifying of efficiencies during times of budgetary constraints. U.S. could propose that “operational efficiencies” be added to the list of topics in CS 149.
 - **Composition of the Coordinating Committee:**
No need to change composition in CS/CV provisions. However, the inclusion of senior D2 personnel at meetings is acceptable, but they should be excluded during discussions of strategic or sensitive matters. This can be addressed in a draft PP-06 resolution.
 - **Reporting by the Coordination Committee to the membership:**
Marrakesh Decision 7 requires that summary records of the Coordinating committee be made available to Member States of Council by posting them on the Council website. This should be formally included in CV 111.
(i)Mod. 111. A report shall be made of the proceedings of the Coordinating Committee and will be made available to Member States of Council **by posting on the Council website**, or
(ii) Mod 111. A report shall be made of the proceedings of the Coordinating Committee and will be made available to **all** Member States.
 - **Reporting to the Coordinating Committee:**

The working group saw no need to have formal reporting by the directors on their activities to the Committee. This is reasonable and no changes appear necessary.

- **Role of the Deputy Secretary General**

The report concludes that a flexible approach towards the duties of the Deputy Secretary General should be maintained. A specific set of detailed duties would prevent the optimal use by the Deputy by the Secretary General. Within the draft resolution the Secretary General is requested to “issues clear and specific directives concerning the tasks of the Secretary General”. This seems to be acceptable and the U.S. should support. Consistent with the move to make elected officials accountable to Council, the Secretary General should report to Council what responsibilities have been delegated to the Deputy Secretary General, on which the latter would report to Council on progress.

- **Draft Resolution**

See the attached Resolution for changes – add an additional resolves and two options regarding availability of Coordinating Committee summary of minutes.

Financial Implications of Conferences

- Proposal 7 in document 12 (Rev.1) from CEPT proposed to modify Resolution 72 (Marrakesh 2002): Providing a better estimate of the financial implication of conference decisions. Specifically it proposed to add an additional “resolves to instruct the Secretary General and the Directors of the three Bureaux”: to provide to conferences and assemblies information from the full range of new financial and planning mechanisms available to allow a reasonable estimate of the financial implications of their decisions to be made. In order to facilitate such estimates for programs proposed by Member States, such Member States shall endeavor to provide a description of the proposed program to the Sector(s) involved sufficiently in advance so that they may provide the financial estimates called for in this proposal.
- This is a reasonable proposal which should be supported by the U.S. It calls for the use of detailed planning and financial management information with which conferences and assemblies can make more informed decisions regarding financial implications of their decisions

Emergency Communications

- Emergency and disaster communications issues are being addressed in all Sectors of the ITU and in the SPU. It is critical that the ITU be able to address emergency and disaster communications in a clear and focused manner. To this end, ITU would benefit from a review organized under CoCom and reported to the next Council that address:
 - Means for effective internal communications, including efficient use of resources, rapid response where necessary, and clear internal communications and collaboration;
 - Assessment of needs being met by other key organizations, of where ITU could be most helpful and of how and with whom ITU should coordinate or collaborate;
 - Areas where ITU's ability to address specific needs might need clarification.
- The ITU should place more emphasis on training courses on emergency telecommunications, using web-based training as much as possible.
- *Background*
 - Since the South Asia tsunami, the ITU has devoted renewed attention to emergency telecommunications. Studies have been conducted in the R, T and D Sectors, and valuable documents, including handbooks, have been published
 - It may be appropriate for the ITU to examine its specific roles in emergency telecommunications and concentrate on its unique capabilities.

SECTOR PRIORITIES

The Radiocommunication Sector

World and Regional Radiocommunication Conferences & CPMs

- The current interval between world conferences, normally 2-3 years should be Maintained (NOC CS 90). This position is driven by national security and private sector business interests. The resurgence of the telecommunications industry and availability of new technologies to service government and private sector customers dictates that this interval be maintained.
- The CPMs must be maintained. They provide valuable information regarding the technical basis for the conferences, serve as an educational opportunity for developing countries, and also serve U.S. long-term security and business interests.
- Maintaining WRCs and CPMs will:
 - Support efficient use of the radio spectrum,
 - Provide equitable access by all to the geostationary orbit,
 - Aid in the introduction of new and innovative technologies,
 - Encourage regional introduction and implementation of new services,
 - Provide opportunities to revise and update the International Radio Regulations.

R Sector Study Groups

- The current number of Study Groups should be maintained. Further consolidation is impractical and is unlikely to achieve additional savings.
- Maintaining current number and configuration of study groups will provide the technical studies necessary to support world and regional radiocommunication conference agenda items – key to the orderly and efficient conduct of conferences. They will also provide recommendations concerning sharing studies and the introduction of new technologies.

Cost Recovery

- There should be no expansion of cost recovery to other work areas in the R Sector, or any Sector, without a thorough review of resource reduction and efficiencies in all overhead activities, especially the general secretariat.
- If revenue enhancements are necessary after all other efficiencies and cost reductions have been explored, then consideration could be given to cost recovery for the registration of terrestrial assignments.
- To assure an ongoing periodic oversight of the satellite network processing cost recovery, proposals should be advanced for a yearly meeting between the Director, member States and Sector Members to review the process, identify improvements and efficiencies, and to facilitate a level playing field.
- At the present time:
 - While there has been a beneficial movement towards restricting cost recovery to true cost recovery and not budgetary recovery, much remains to be done. ITU policy should be to adopt cost recovery proposals only for the purpose of reducing the overall cost of providing those specific services.
 - Cost recovery is primarily applied to the processing of satellite network filings.
 - Cost recovery methodologies, coupled with time tracking, has narrowed the gap between budget recovery and true cost recovery.
 - The methodology is still geared to set a budget recovery number.

Radio Regulations Board (RRB)

- The current number of RRB members should be maintained (NOC 93A). The 12 person Board provides broad coverage regarding experience, skills and geographic distribution. Any change to increase the number will have cost implications, decreasing the number would have geopolitical implications and would not serve U.S. interests. The geographic distribution of members should also be maintained without change.
- The provision limiting RRB participation to 2 designated members to Plenipotentiary Conferences and Radio Assemblies should be maintained (NOC 141 A). This provision has worked well and does not warrant any change.

- Full attendance at Radio Conferences should be maintained. The Conferences are decision and treaty-making, hence the skills and talents of the RRB are deemed necessary.

Radiocommunication Assemblies (RA)

- Maintain the basic structure of the Assemblies (NOC CS 91).

Radiocommunication Advisory Group (RAG)

- The effectiveness of this group may be questioned at PP-06. Reduction in the frequency of meetings may be proposed as a cost savings effort, or restructured to align with other advisory groups. The ITU-R Chairmen/Vice Chairmen's meeting can provide a review of priorities, programs, operations, financial matters and strategies for the sector and a review of operational plan implementation.

The Development Sector

Priorities for D Sector Structure and Operations

- The D Sector should remain a separate sector.
- The activities and conclusions of the D Sector should remain voluntary and feed into the WTDC, not the Plenipotentiary.
- The regional offices should coordinate their activities closely with D Sector programs.
- Partnerships of all varieties should be given high priority, as they lead to more effective programs and attract direct and indirect contributions that augment the ability of the D Sector to achieve its objectives.
- The D Sector should adopt an inclusive approach that is integrated into all its programs and activities and adequately resourced (women, youth and disabled), and should continue to promote the development of strong private sector involvement so essential to the success of the Sector's programs.

D Sector Study Groups

- Study Group results should be reviewed by TDAG in order to determine to what extent, if any, they should influence the programs and activities of the BDT.

Global Symposium for Regulators

- The Global Symposium for Regulators, which is part of the Regulatory Reform Program, should continue to be a ground up, voluntary forum and should not be codified into the CS/CG.

Regional Offices

- The work of the regional offices should be closely connected to D Sector programs, and should serve as focal points for information on all three Sectors. The offices should adopt a pro-market, non-discriminatory approach to assisting Sector Members by providing expertise and information on regional and local developments.

Human Capacity Building

- Industry could form a “Group of Industry Internet Experts” on Internet issues – technical, business, regulatory/policy and infrastructure. It could develop and update curricula that could be used by the BDT in its capacity building at the regional and global levels.
- USTTI could, as part of its MOU with the ITU, create a fellowship program on Internet governance that would include a USTTI course, participation in IGF and ICANN meetings and require the fellows to produce specified deliverables at the national level.

Highest Program Priorities:

- (1)Regulatory reform (creating an “enabling environment” for investment, market entry and successful operation).
- (2)Technologies and Infrastructure Development.
- (3)Human Capacity Building.

Background:

- The D Sector is different from the other sectors due to its ground up nature. It seeks to respond to its constituents by assisting in raising skill levels, promoting a positive investment climate, and empowering Members through the use of ICTs.
- In light of the important activities and functions of the TDAG, that committee’s continuance is strongly supported.

The Telecommunication Sector

Sector Objectives

- The telecommunications environment changes rapidly. The ITU-T must be able to adjust itself in order to remain relevant to the marketplace, and to stay ahead of the curve in identifying and starting new work areas. Therefore, the objectives of the ITU-T will tend to reflect on its own ways of working, on how it manages its work and how it relates to other organizations.

Standards Approval

- The AAP is working and should be retained. It has substantially reduced the time taken for the approval of standards and has significantly reduced costs to the Sector and its members.
- The U.S. should support global telecom standards. Such standards may emerge from the work of national and regional external organizations within the overall context of global standardization efforts of the ITU. National and regional bodies have been the source of many contributions to the technical work of the ITU. Their efforts in many cases have helped progress global standards.

Financial Responsibilities of the Sector

- The ITU-T (as well as the other sectors) should be given a budget, which they should manage. The ITU-T should be given more autonomy in this regard, as per the decision at PP-02.

Background:

- Each sector of the ITU is unique. The ITU-T should not be made to look like ITU-R or ITU-D. It has its own constituents, objectives, customers and mandates. Do not make ITU-T study groups look like study groups in the other sectors.

ANNEX

DRAFT RESOLUTION XX (2006)

Functioning of the Coordination Committee and Tasks of the Deputy Secretary-General

The Plenipotentiary Conference of the International Telecommunication Union ([place], 2006),

considering

- a. that the Plenipotentiary Conference of 2002 adopted Resolution 108 on the Improvement of the Functioning of the Coordination Committee, including the tasks of the Deputy Secretary-General and role of the other elected officials;
- b. that Resolution 108 called upon the Council to establish a Working Group open to participation by Member States charged with:
 - i) examining the functioning of the Coordination Committee, including the tasks of the Deputy Secretary-General and the role of the other elected officials;
 - ii) submitting to the Council a report containing, in particular, the draft texts that could be necessary in the event of modification of the Constitution or the Convention and which could be used by Member States in preparing their proposals in that regard to the next plenipotentiary conference;
- c. that the tasks and functions of the Deputy Secretary-General are not expressly enumerated in the basic instruments of the Union;
- d. the need to strengthen and improve the functioning and efficiency of the Coordination Committee,

noting

that the Council in 2003 established a Working Group to consider this matter, which met physically on one occasion and also worked by electronic means,

recalling

- a. the relevant provisions of the Constitution and Convention in this regard;
- b. Decision 7 of the 2002 Plenipotentiary Conference, which instructed the Secretary-General to make minutes of Coordination Committee meetings available on the Council website, excluding confidential staff matters,

having examined

the Report of the Working Group, which was submitted to the Council at its ordinary session in 2005,

recognizing

- a. the need to make optimal use of the position of the Deputy Secretary-General in the management of the Union

b. the importance of more transparency and increased efficiency in the work of the Coordination Committee

resolves

to improve the efficiency of the Coordination Committee:

- i) the Coordination Committee, consistent with its mandate, must give additional focus to the implementation of the strategic mission and purposes of the Union, as set forth in the basic instruments and in the Strategic Plan, must place particular emphasis on enhancing its financial and administrative functions, should enhance the regular exchange of information among elected officials on their respective activities and should, within the constraints of the budget of the Union, seek new efficiencies in all aspects of the Union;
- ii) the senior managers of the Union (namely Deputies to the Directors of the Bureaus, the Chief of the Finance Department and the Chief of the Personnel Department) should be closely associated, when appropriate, with the work of the Coordination Committee;
- iii) the Coordination Committee meetings should be limited to the elected officials when strategic or sensitive matters are on the agenda;

concerning the role of the Deputy Secretary-General:

the tasks of the Deputy Secretary-General, consistent with the basic instruments, must be defined to create a clear operational and management role,

instructs the Secretary-General

1. to take all necessary measures to implement this Resolution;
2. to issue clear and specific directives concerning the tasks of the Deputy Secretary-General;
3. to submit the list of directives to the first meeting of Council after the Plenipotentiary Conference for advice and consent.
4. to have the Deputy Secretary general provide a yearly report to Council on his activities.